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on  
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**Committee on Government Reform**  
**Subcommittee on Criminal Justice, Drug Policy, and Human Resources**  
**U.S. House of Representatives**

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Good morning Chairman Souder and Members of the Subcommittee. It is my pleasure to appear before you today. I appreciate and thank you for the opportunity to discuss the Center for Faith-Based and Community Initiative's progress at the US Department of Health and Human Services since our inception four years ago.

As a former rescue mission director in New York City, I see that we are in a unique time in our country's history as our government increasingly recognizes the contributions of churches, synagogues, mosques, and other faith-based service providers in serving the needy. It is now commonly agreed that these groups are trustworthy to help others and provide services in the hardest to reach corners of our country. The Center's aim and commitment is to increase opportunities for faith-based and neighborhood groups in their efforts to serve our most needy citizens and families through partnerships with the Department.

### **Background and History**

On January 29, 2001, the President issued two Executive Orders (13198 and 13199) as part of his commitment to expand opportunities for faith-based and community-based organizations and to bolster their capacity to serve those in need. One EO established a White House Office of Faith-Based and Community Initiatives (WHOFBCI), which has been operational since February 2001. The other required the Department of Health and Human Services (HHS) along with the Departments of Labor, Justice, Education and Housing and Urban Development, to establish Centers for Faith-Based and Community Initiatives within their respective Departments.

The HHS Center for Faith-Based and Community Initiatives (CFBCI) commenced March 15, 2001. With President Bush and Secretary Thompson's leadership and full support, the CFBCI was created to establish a level playing field for all faith-based and community organizations applying for Federal grants with HHS. The mission since our inception has been to create an environment within the Department that welcomes the participation of faith-based and community-based organizations as valued and essential partners assisting Americans in need. The Department is committed to improving human services for our country's neediest citizens by better utilizing faith-based and community-based organizations in providing effective health and human services.

The CFBCI issued its first internal review of HHS' involvement with faith-based and community-based providers on July 27, 2001 to the White House. This audit was part of the President's EO and focused on the Department's history with faith and community-based providers by examining several block and discretionary grant programs where faith-based groups are eligible or seemed likely candidates for expanded involvement. The new proposed rules will effectively implement the President's Executive Order 13279 issued December 12, 2002 ensuring that faith-based organizations are able to compete on an equal footing with other organizations for the Department's funding without impairing the religious character of such organizations. The audit confirmed many of our Center's concerns about the current relationship between faith-based and community-based groups and the Federal Government. As reported to the White House, the review found that overall our Department has a long history of involvement with many large, recognized faith-based and community-based providers. However, our Department's relationships with smaller such groups were not readily identifiable or quantifiable. The review also found that it was difficult to identify the number of faith-based organizations applying for or receiving Federal funding, even in Charitable Choice Programs, in which there is a legislative mandate to reach out to faith-based groups.

Now that the Center has been in place for four years, it is my pleasure to report to you the steps HHS has taken consistent with our directives in EO 13198. Specifically, we are directed to look at laws, rules, regulations, internal guidance, policies, and procedures that are or may be barriers to the participation of faith-based and community groups desiring to access Federal funding at HHS to provide social services. The EO gives us the additional responsibility of guiding State and local government partners to comply with Charitable Choice legislation and also to evaluate and reform outreach and technical assistance.

Additionally, we report on data collection efforts that have taken place since the President issued EO 13279 in December 2002 requiring HHS and other agencies to implement new policies that are necessary to ensure that our respective agencies collect data regarding the participation of faith-based and community organizations in social service programs perceived as barriers to direct Federal financial assistance through our discretionary grants.

### **Initiatives to Remove Internal Barriers**

The Department has acted to remove both real and perceived barriers to faith-based and grassroots organizations. Since our 2001 beginnings, our Center has worked with the Department's senior leadership to identify and correct internal processes which could be

perceived as a barrier to faith-based and grassroots organizations. Steps we have taken include: 1) issuing regular calls for grant reviewers who have expertise with grassroots organizations and regularly adding new reviewers for our grant panels across the Department; 2) developing and providing grant reviewer training materials on EO 13279 to the Department to be included in all grant panels; 3) training all grants reviewers at the Administration on Children and Families (over 1,000) in 2003 on the provisions for participation by faith-based and community groups pursuant to EO 13279; 4) coordinating Plain Language training for staff who write program announcements; 5) reviewing all discretionary grant program announcements in clearance for compliance with EO 13279 specific to their eligibility criteria; and 6) developing and updating web-based fact sheets that include eligibility information on key programs.

We consistently work to promote and ensure compliance with Charitable Choice legislation by the Department, as well as our partners in State and local government, and their contractors. The Charitable Choice requirements ensure that religious organizations are able to compete on an equal basis for Federal funds without stripping the religious character of such organizations and without diminishing the religious freedom of program beneficiaries. Specifically, in 2002, the Department issued Notice for Proposed Rule Makings (NPRMs) for Charitable Choice related to several programs and in 2003, final regulations were issued. Currently we are working on an updated *Charitable Choice Booklet for Government Officials* to be released later this year. Department Charitable Choice regulations apply whenever States choose to use Federal funds from the following programs: Temporary Assistance for Needy Families (TANF), Community Services Block Grant (CSBG), Substance Abuse Prevention and Treatment (SAPT) Block Grant, Projects for Assistance in Transition from Homelessness (PATH) formula grant or the Substance Abuse and Mental Health Services Administration's (SAMHSA) substance abuse competitive grants.

Most recently, the Department issued an NPRM on religious non-discrimination that will provide further protections to faith-based organizations partnering with HHS. The regulations propose to revise existing Department regulations to remove barriers to the participation of faith-based organizations in Department programs and to ensure that these programs are implemented in a manner consistent with applicable statutes and the requirements of the Constitution, including the Establishment, Free Exercise, and Free Speech Clauses of the First Amendment. Unlike the Department's Charitable Choice regulations, the proposed regulation is not limited to a few grant programs, but applies to the entire Department's discretionary grants, formula and block grants, and other financial assistance.

## **Outreach and Technical Assistance**

Since 2001, technical assistance has been provided throughout the country to increase the capacity of faith-based and community organizations working with vulnerable and needy populations. In particular, the Administration for Children and Families (ACF), Health Resources Services Administration (HRSA), the Substance Abuse Mental Health Services Administration (SAMHSA), and the Center for Disease Control (CDC) are operating divisions of HHS that have contributed to outreach and technical assistance efforts through their individual programs.

The Center has encouraged and supported technical assistance efforts to introduce new groups to existing funding opportunities. Since 2002, ACF has sponsored Pre-Bidders Conferences for key programs where grassroots organizations are eligible, including the Mentoring Children of Prisoners and Compassion Capital Fund programs. Also, our listserv provides up-to-the minute information and has coordinated and hosted the Grassroots Training and Technical Assistance Initiative, which provided more than 50 training sessions throughout the United States. Additionally, HRSA and CDC have arranged and scheduled teleconferences to highlight accomplishments of faith-based and community organizations in rural areas.

The Center disseminates information to the public as widely and efficiently as possible. Since our inception, several internal websites have been created to assist groups to more easily navigate the Department, our partnership opportunities, and our processes. These websites include our Center's, the Administration for Children and Families dedicated faith-based site, the National Resource Center website on the Compassion Capital Fund demonstration project, and CDC's interfaith health program website. Also, our listserv members receive up-to-the-minute information on program announcements, conferences, and technical assistance opportunities to thousands of subscribed groups.

We have worked within the Department to create and publicize relevant publications targeted to faith-based and grassroots organizations. Recently we released our new *2004 Grants Opportunities Notebook*, a 50-plus-page document that explains over 15 funding opportunities across the Department for grassroots organizations. In 2003, we created a new brochure in partnership with ACF's Child Care Bureau titled *What Congregations Should Know About Federal Funding for Child Care* and SAMHSA introduced a new *Grantwriting Manual* on developing competitive SAMHSA grant applications. Additionally, last year we launched our *Snapshots of Compassion* series as a way to highlight model programs. These *Snapshots* highlight the stories of new HHS faith-based grantees and the individuals they have served through our discretionary grant programs and illustrate how the Initiative positively affects people in meaningful ways.

### **Innovative Pilot and Demonstration Projects**

The Center has been working hard with the Department since our inception to increase and expand innovative pilot and demonstration programs to increase the participation of faith-based and other community organizations in Federal, State, and local initiatives. We are proud to say that in four years, HHS has launched three new initiatives that are signatures of the President's Faith-Based and Community Initiative - Compassion Capital Fund, Mentoring Children of Prisoners, and Access to Recovery.

Launched in 2002, the Compassion Capital Fund (CCF) helps faith-based and community organizations increase their effectiveness and enhance their ability to provide social services to those most in need. CCF administers two grant programs. The CCF Demonstration Program funds intermediary organizations that serve as a bridge between the Federal government and small faith-based and community organizations by providing them with training, technical assistance, and capacity-building sub-awards. The CCF Targeted Capacity Building Program awards one-time capacity-building grants directly to faith-based and community organizations.

In Fiscal Year 2002, Congress appropriated \$30 million for CCF. Over 24 million was awarded to 21 intermediary organizations, \$2.2 million was used to establish a National Resource Center, and \$1.35 million earmarked for evaluating promising approaches of faith-based and community organizations, and \$830,000 funded research on how faith-based groups provide social services.

In Fiscal Year 2003, Congress appropriated \$34.7 million for CCF, which was used for 21 continuation awards, 10 new demonstration program awards (\$5.6 million), and 52 one-time \$50,000 capacity-building awards for faith-based and community organizations.

In the first year of CCF, over 3,000 grassroots organizations received training and technical assistance and 565 faith-based and community organizations received over \$10.5 million in sub-awards.

In Fiscal Year 2004, Congress appropriated \$47.7 million. The Administration for Children and Families will administer both the Demonstration Program and Targeted Capacity Building Program

Established in 2003, the Mentoring Children of Prisoners program awards competitive grants to applicants serving populations with substantial numbers of children of incarcerated parents and supporting the establishment and operation of mentoring programs using a network of public and private entities. In its first year, the Mentoring Children of Prisoners program awarded grants to 52 organizations with grants ranging from \$30,000 to \$525,000. Projects range in size: 28 are serving fewer than 100 children, seventeen projects are serving between 200 and 300 children and seven projects are serving over 300 children. Of the 52 grantees, 27 projects are faith-based or projects that partnered with faith-based programs. ACF's Family and Youth Services Bureau, or FYSB, expects that these 52 programs will serve over 6,000 young people in this first year at an average federal cost of \$1,500 per mentor. In Fiscal Year 2004, FYSB expects to fund up to 200 new organizations and support over 33,000 matches per year as the program is expanded with an additional \$37.5 million.

Our newest initiative launched this year is Access to Recovery (ATR), a substance abuse treatment initiative out of SAMHSA's Center for Substance Abuse Treatment. This new initiative will provide vouchers to individuals seeking drug and alcohol treatment to pay for a range of appropriate community-based services through funded states. Access to Recovery is part of the President's commitment to provide client choice among substance abuse clinical treatment and recovery support service providers, expand access to a comprehensive array of clinical treatment and recovery support options, including faith-based programmatic options, and increase substance abuse treatment capacity. Through the ATR grants, States and federally recognized tribes will have flexibility in designing and implementing voucher programs to meet the needs of clients. The key to successful implementation of the voucher programs supported by the ATR grants will be the relationship between the States and clients receiving services, to ensure that clients have a genuine, free, and independent choice among eligible providers.

## **Data Collection Efforts Specific to EO 13279**

Pursuant to EO 13279, in 2003 our Center collaborated with ACF, SAMHSA, HRSA, and CDC to distribute a survey form to all private, non-profit applicants requesting descriptive information on their organizations. This survey form is titled *Survey to Ensure Equal Opportunity for All Applicants* (OMB No. 1890-0014) and can be accessed online at <http://www.acf.hhs.gov/programs/ofs/forms.htm> because the survey is voluntary; it only provides the Department with a picture of applicants that return the survey.

The Center took an additional step in 2003 when we initiated an internal analysis to determine, to the extent possible, the increase in the number of faith-based grantees and the number of these that were also first-time grantees. This internal analysis consisted of an internal review of grant awards in 74 competitive, discretionary grant programs administered by SAMHSA, ACF, HRSA, and AoA (Administration on Aging). The list of programs was developed by our Center and focused on programs for which faith-based organizations are eligible to compete and that are of likely interest to faith-based organizations. Only competitive, discretionary grants from Fiscal Years 2002 and 2003 were included in this analysis. Most federal block and formula grant programs, recipients of indirect monies, and organizations receiving sub-awards were not included in this analysis.

## **Conclusion**

We have made great strides at HHS in implementing the President's Faith-Based and Community Initiative, but the work of welcoming these groups as equal partners remains a long-term task. We are committed to working with Members of Congress, other Federal agencies, State and local government, intermediaries, and grassroots organizations daily to strive toward our goals as laid out in the President's Executive Orders and our regulations.

I would like to thank the Committee for the opportunity to highlight the President's Faith-Based and Community Initiative at the Department of Health and Human Services. We are proud of the progress we have made to date in improving current faith-based and community partnerships, providing opportunities for new partnerships with faith-based and community organizations, removing barriers to the inclusion of these groups in HHS programs, and providing leadership to our Federal and State partners. We count it a privilege and honor to work on behalf of these front-line organizations serving our most vulnerable children and families. I believe our work plays a critical role in changing the way our country thinks about effective social service delivery. I know that changing our complex bureaucracy has not been fast or easy. But the office and Secretary remains committed to implementing the President's vision of helping people of faith meet our country's social objectives.

I would be pleased to answer any questions.